AUCH
ASSOCIATION FOR UTAH COMMUNITY HEALTH

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Utah Navajo Health System, Inc.

Utah Partners for Health

Wasatch Homeless Health Care, Inc.

Wayne Community Health Centers, Inc.

September 12, 2016

Centers for Medicare and Medicaid Services
7500 Security Boulevard
Baltimore, Maryland 21244

To Whom It May Concern:

The Association for Utah Community Health (AUCH) is pleased to respond to the request for comments from the Utah Department of Health (UDOH) regarding the proposed Utah 1115 Demonstration Waiver. AUCH has served as the federally recognized Primary Care Association (PCA) in Utah since 1985, and is a private, not-for-profit 501(c)(3) corporation. AUCH is a member organization that includes Utah's thirteen Health Resources and Services Administration's (HRSA), Bureau of Primary Health Care (BPHC) Section 330 Health Center grantees ("Health Centers") and other safety net providers. As the PCA in Utah, AUCH's mission is to support and represent our members through trainings and technical assistance, professional development, outreach and enrollment, education, policy analysis, partnerships, and community development.

Utah's 13 Health Centers provide medical, dental, pharmacy, laboratory, behavioral health, and enabling services to nearly 150,000 low-income Utahns. Utah's 13 Health Centers operate 52 primary care clinics located in 16 of Utah's 29 counties. The clinics serve patients from 28 of Utah's 29 counties. Utah's Health Centers provide a Medical Home to one out of every 21 individuals in the state, one out of every three low-income individuals in the state, one out of every five uninsured individuals in the state, and one out of every 11 Medicaid beneficiaries in the state.

AUCH is focusing but not limiting its comments to provisions in the proposed waiver that may impact Health Centers and other safety net providers that serve the target population described in this waiver.

I. Background

Health Centers play an extremely important role in Utah's health care system by providing access to comprehensive primary and preventive health care to medically underserved areas and/or populations. Health Centers provide medical, dental, behavioral health, and enabling services (enabling services include such things as translation, transportation services, health education classes, etc. needed for patients to access the Health Center's services). Sliding fee scale discounts are offered to low income uninsured and underinsured patients (i.e., household income <200% Federal Poverty Level or "FPL"), with 72% of Utah's Health Center patients falling under 100% FPL. In 2014, Health Centers in Utah served approximately 150,000 patients state-wide. Nationally there are more than 1300 Health Centers with more than 9000 sites serving more than 24 million patients.

To qualify as a Section 330 grantee, a Health Center must serve a designated medically underserved area and/or a medically underserved population. Patients of the Health Center must make up over half (at least 51%) of the Health Center's board of directors, and the Health Center must offer services to all persons in its service area, regardless of their ability to pay. Grant funds assist Health Centers in covering the otherwise uncompensated costs of providing care to uninsured and underinsured patients, and maintaining the Health Centers' infrastructure. Patients who are able to pay or who have insurance are expected to pay for services rendered. Approximately 19% of Utah's Health Center patients are Medicaid recipients, and approximately 55% are uninsured. This patient payer mix in Utah is highly unusual in comparison to Health Centers nationally where approximately 47% of patients have Medicaid and only 28% are uninsured. In 2014, for every $1 of federal Health Center Section 330 grants received Utah's Health Centers slide $2 in services. Nationally, for every $1 of federal grant funds received Health Center grantees slide only $0.71 in services. This higher percentage of uninsured patients in Utah results in fiscal fragility and capacity limits within Utah's Health Centers.

The lack of affordable insurance coverage options for low-income adults in Utah also limits the Health Centers' ability to effectively manage chronic health care conditions as many patients choose to forgo preventive healthcare services due to financial constraints in paying for care.

II. Comments on Specific Sections of the Waiver

Section 1 – Extension Request

AUCH is supportive of the PCN extension request in lieu of full Medicaid expansion as the PCN program offers access to primary and preventive healthcare services for those who would otherwise have no access. If the PCN extension is not approved, AUCH is extremely concerned that low-income adults without children will have no health coverage option. AUCH is also supportive of the proposed increase in income eligibility for adults with dependent children. However, AUCH is concerned that limiting caregiver income up to 55% FPL (60% with 5% federal disregard) provides a strong disincentive for these individuals to acquire additional income. A caregiver can now qualify for Medicaid while earning up to 40% FPL (e.g., $8064 for a family of three). While the proposed extension would now make them eligible with an income of up to 55% FPL ($11088 for a family of three), they would not be eligible for the Federal Marketplace subsidies until they reach 100% FPL ($20,160 for a family of three). Jobs that place caregivers in a 55-100% FPL income range are not likely to offer affordable health insurance (or any health insurance) as a job benefit. This modest proposed extension will give such caregivers a considerable incentive to forego additional income in order to stay out of the 55-100% FPL "window."

Attachment 9, Amendment #16

Section I - Program Description & Objectives

Rationale for the Demonstration. UDOH states, "Without medical coverage, these populations will not be able to access the treatment they need to find and sustain employment, secure housing and avoid re-hospitalization or incarceration." This statement refers to a SAMHSA survey that identifies 4.8% of Utah adults as suffering from mental illness and 7.8% as abusing alcohol or illicit drugs. AUCH is concerned about the inclusion of these figures as justification for the waiver's structure because the incidence of mental illness and substance use disorder in the waiver's proposed target population is significantly higher than that. Also, because of the severity of mental illness and substance use disorder experienced by the proposed target population, the resources needed for successful treatment will greatly exceed that for a "typical" population with mental illness and/or substance use disorder. AUCH encourages the UDOH to more fully describe the extensive needs of the target population.

Section II Demonstration Eligibility

Eligibility Criteria. AUCH supports UDOH's proposed use of the HUD definition of chronically homeless in its waiver, but strongly recommends excluding the requirement of a disabling condition. Adding the requirement of having a "disability" to the definition of "chronically homeless" makes it far more difficult for the targeted homeless population to qualify, unless they already have the needed documentation of their disability. Individuals in this target population who have such a disabling condition will most likely be transitioned from this program into Social Security Disability ("SSD") benefits. The intent of this program is to extend Medicaid benefits to the chronically homeless who have a mental illness and/or a substance use disorder but do not qualify for SSD, not to enroll qualifying disabled individuals into traditional Medicaid as part of their SSD.

If "disabling condition" is kept as a qualifying criterion for the chronically homeless, AUCH encourages the UDOH to establish a less restrictive guideline than required to qualify for SSD benefits.

Eligibility Determinations. AUCH encourages the UDOH to provide an eligibility determination checklist for organizations that may come in to contact with homeless individuals, but do not currently use the Homeless Management Information System ("HMIS") database. Not all agencies working with homeless populations are currently utilizing HMIS, and restricting eligibility to only individuals listed in the database would lead to the exclusion of otherwise qualifying homeless individuals. We would encourage the UDOH to issue guidelines on how case managers should proceed in cases where an individual claims to be homeless but is not in the HMIS database, or where the entity itself does not have access to the HMIS database. HUD has issued some guidelines that could serve as a template:
https://www.hudexchange.info/coc/faqs/#?topic=Program%20Requirements&id=34309C5F-787B-4982-B57D0661EC1D9253&subtopic=Definition%20of%20Chronic%20Homelessness

Eligibility Simplifications. AUCH strongly supports the inclusion of 12 month continuous eligibility for the newly eligible populations. The low threshold of allowable income will otherwise be a deterrent for individuals to seek gainful employment as most will quickly exceed the income eligibility criteria with any prospective job opportunities. Twelve month continuous eligibility will also promote continuity of care and enhance medical

providers' ability to effectively manage chronic medical conditions, substance use disorders, and/or mental health conditions. This should also reduce the administrative burden and "churn" rates for UDOH.

Section V Implementation of Demonstration
AUCH supports the proposed UDOH implementation schedule and the proposed plans to seamlessly enroll current PCN eligible individuals who would qualify for Medicaid under the proposed waiver. For new applicants, AUCH encourages the UDOH to coordinate with additional partners to identify and verify eligibility, including Utah's three Homeless Health Center grantees (Section 330(h)) and all homeless shelters – specifically those who do not currently use the HMIS, such as faith-based and/or private non-profit shelters.

III. General Concerns about the Waiver

Need for Enhanced/Intensive Care Coordination – To ensure the success of the proposed waiver, AUCH recommends the UDOH convene and work closely with Managed Care Organizations and the various medical, substance use, mental health, and social service providers that currently serve the target population. AUCH recommends the development of an action plan to facilitate coordination between these organizations and providers. Intensive care coordination will be essential to improve health outcomes and manage expenditures of these high risk populations.

Need for Situationally Appropriate Health Care Infrastructure – Utah has organizations that are experienced with treating the chronically homeless population; however, to ensure the success of the proposed waiver, the number of medical providers willing to work with this population must grow. Many of the medical professionals newly encountering this population will not have the expertise or infrastructure to provide appropriate care. We would encourage the UDOH to identify and provide guidelines in the waiver for situationally appropriate outreach, enrollment, and care for persons experiencing homelessness.

Unintended Consequences – AUCH is concerned about the multiple ways in which the proposed eligibility criteria may promote unintended consequences. For example, the proposed income limitations for adult caregivers at 55% FPL (60% with 5% federal disregard) and adults without children at 0% FPL (5% with 5% federal disregard) place strong incentives on adults, particularly those who know they suffer from medical conditions, to forego additional income in order to maintain their Medicaid eligibility. The additional income these individuals would need to qualify for private insurance coverage using subsidies available through the Federal Marketplace is significantly higher than what they would be earning. The proposed twelve-month continuous eligibility will help to address this unintended consequence to an extent; however, unless an individual can reasonably foresee that his income will reach the 100% FPL threshold in the next year (or he will be eligible for other healthcare coverage), he has a strong disincentive to earn any additional money. This is especially true for individuals who suffer from known medical conditions.

Another example of the potential for unintended consequences is the preferential Medicaid eligibility of persons who need substance use or mental health treatment and are "involved in the justice system" over those individuals who need similar treatment but are not currently involved with the justice system. This preferential eligibility of one group over another may promote criminal activity. At more than one of the public hearings

public commenters have asked what level of criminal activity would qualify their loved ones for Medicaid eligibility. This unintended consequence is potentially damaging not just to the individuals who would commit a "qualifying" criminal activity but especially to any victims of these crimes. Any criminal act committed for the purpose of qualifying for Medicaid would be a terrible unintended consequence of this waiver.

Economic Viability and Sustainability – AUCH is extremely concerned that the "risk pool" created by the proposed waiver consists entirely of individuals with acute and intensive medical needs, and there is no "low risk" population to balance these high-cost individuals against as would be found in a typical Medicaid-eligible population. The waiver is certain to greatly increase the per-person cost of the Medicaid program while still leaving many low-income but lower-risk individuals without any access to healthcare coverage. AUCH believes the creation of such a skewed risk pool is fiscally irresponsible and could damage the long-term financial sustainability of the Medicaid program.

In summary, AUCH believes that the proposed waiver is bad public policy, especially when it is compared to a full Medicaid expansion. The proposed waiver will cover only a very small high-risk population. The proposed eligibility criteria offer perverse incentives for individuals to qualify for coverage. A waiver built on only high-risk (and expensive to treat) individuals without the inclusion of a "well" population to balance them against creates the potential for a financially unsound Medicaid program. AUCH is also concerned about the future viability of the PCN program; while this program does not offer robust benefits, it is the only option available for Utah's low-income adults without children, and its discontinuation would leave these individuals with nothing.

That concludes AUCH's comments on the proposed Utah 1115 Demonstration Waiver. AUCH appreciates the opportunity to provide comments, and is truly appreciative of the efforts of the Utah Department of Health in drafting this proposal. UDOH has made an extraordinary effort to capture the intent of House Bill 437, and AUCH looks forward to partnering with UDOH and other stakeholders to improve health outcomes for Utah's most vulnerable populations through this waiver.

If you need any clarification on the comments, please contact Alan Pruhs, AUCH's Executive Director, at 801-716-4601 or alan@auch.org.

Alan Pruhs, Executive Director
Association for Utah Community Health